

AR36

**THE PRUDENTIAL
ASSURANCE
GROUP OF
COMPANIES
REVIEW OF
CANADIAN
OPERATIONS 1980**



**The Prudential Assurance group
of companies in Canada
comprises:**

**The Prudential Assurance Company
Limited**

Life Operations

Property and Casualty Operations

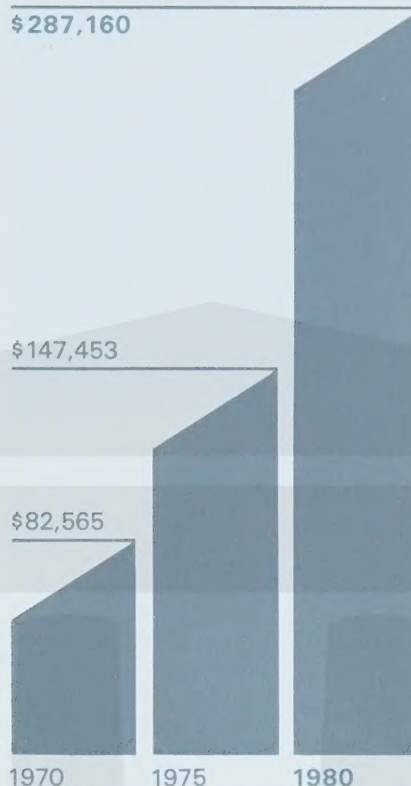
Constellation Assurance Company

Prudasco Assurance Company

**Prudasco Inc.*
Paramet Corporation Limited***

*These subsidiaries which do
not materially affect the amount of
the profit of the group or the amount
of its assets are not shown.





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The Prudential Assurance group of companies
Review of Canadian Operations
(All dollar amounts in thousands)

	1980	1979
Premium Income	\$ 287,160	\$ 262,754
Market Value Adjustments on Segregated Funds	16,335	19,718
Investment Income	104,268	86,496
Net Realized Capital Gains	21,201	17,089
	428,964	386,057
Total Paid to or Set Aside for the Protection of Policyholders and Beneficiaries	307,827	273,490
Expenses and Taxes	84,503	76,672
	392,330	350,162
Net Income	\$ 36,634	\$ 35,895
Assets	\$ 1,254,601	\$ 1,090,095

Note: The accounting principles and presentation adopted by the Canadian group of companies are in the main based upon those prescribed or permitted by the Department of Insurance of Canada for British insurance companies. However, in certain circumstances the principles and reporting requirements of their U.K. parent have been adopted.

https://archive.org/details/Prud2004_1980



Opening Statement

The decade of the 80's has been identified as likely to be one of the most challenging periods of recent times for the insurance industry. Certainly, this view was corroborated by results for 1980 — a tough year for insurers worldwide, not only in Canada.

Under such circumstances, it was heartening to see that the Prudential Assurance group of companies achieved satisfactory results in many areas. For the four main corporate divisions, these are outlined separately. Our purpose here is to touch upon corporate aspects in general.

Against the uncertain back-drop of the 80's, our basic corporate objective is to be amongst the top ten private insurers in all classes available to us in Canada. To reach this position, we must achieve annually a 0.1% increase of market share on the average while at the same time maintaining an expense ratio which is below the market average.

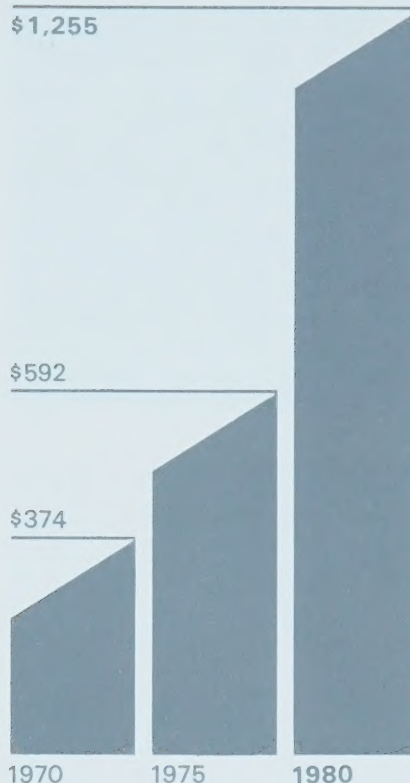
Two corporate strategies which are having an increasingly important impact on our Canadian operations are the formation two years ago of Prudential Corporation Limited and the appointment last year of a Canadian Board of Directors. Both events have

served to create a new and increased emphasis on both short and long term planning.

We believe that the key to meeting the challenges and taking advantage of the opportunities that lie ahead is in having a high performance staff working effectively and efficiently in all areas of the Company. To this end, we have already begun recruiting and developing people who have a demonstrated desire to excel and who will form the nucleus of a corporate-wide, human resources plan which we will continue to expand in the years ahead.

Our prospects for future success also hinge on our continued ability to give better service to our clients and our agents than do our competitors. While products, prices and systems are important, the attitude and effort of our staff is what will make the difference between Prudential and "the rest."

At this point, we would like to pay tribute to the men and women of the Prudential Assurance group of companies in Canada for their fine efforts in upholding our corporate tradition of excellent service in 1980 — efforts that are essential in maintaining and improving our current position in the marketplace.



The Prudential Assurance group of companies.
Growth in Assets (millions of dollars)

Note: Significant accounting changes adopted in 1978 will make comparisons misleading.

Turning now to financial matters, the total assets under management and administered by the Prudential amounted to \$1.2 billion at the end of 1980. About 40% of this was in bonds, just under 25% in equities, and just over 25% in property investments, with the balance of 10% consisting of policy loans and short-term investments. Notable features of the investment scene in 1980 were a significant increase in real estate investments, a decline in mortgages, and substantial stock market activity resulting in the realization of about \$35 million of capital gains. These gains, however, were to some extent offset by a decline in the value of bonds and other fixed income investments.

In regard to the average yield achieved on the insurance funds, we set objectives of 10.25% in the Life operations and 8.25% in the Property and Casualty branch. These are gross yields before tax and the Property and Casualty objective is lower because of the effects of taxation.

Actual results achieved were 10.21% in the Life branch and 8.55% in the Property and Casualty. The slight shortfall in the Life Fund was due to the active sale and reinvestment program on common stocks caused by the strength in the stock market. The

sale of older assets to buy new ones did some damage to the yield objective.

Early in 1981, we introduced a new line of business — Pension Fund Management services — which we will provide to large employers administering their own pension plans. We have great expectations for this new service which brings our Investment Division to the status of a line division with a full set of competing products.

The other side of the finance picture is expenses. While operating at 98.2% of the budgeted expense level during 1980, we were still able to maintain salaries at competitive levels. This is not an easy task since inflation affects many areas of our business. As our costs rise, an important corporate goal must be to get full value from our expense dollars by increasing productivity throughout the company. We are actively seeking ways to achieve this desired result.

In looking for such necessary gains in productivity, there is also a need to re-examine our administrative functions.

In 1980, significant improvements were realized in our computer facilities and orders were placed for additional equipment to give us more power and capacity in meeting our needs for fast, efficient service.

Today, we have the capability to provide for all the insurance needs of the Canadian public. Our challenge in the field of product development is to ensure that our products fit the market, that the price is right, and that they provide the protection needed at a fair cost to the consumer while at the same time giving a fair return to our shareholders. Much innovative work is going on in this area of product development.

The Prudential in Canada at the beginning of the 1980's is not the same company it was 10 years ago. Today we are functioning more and more as a group of companies and it is likely that by the end of this decade, we will have evolved even further than we envision at this point in time.

Ian D. Mair

I.D. Mair
 President for Canada
 and Chief Executive Officer

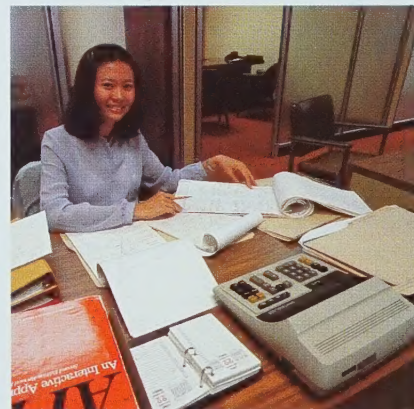
J.N. Cole

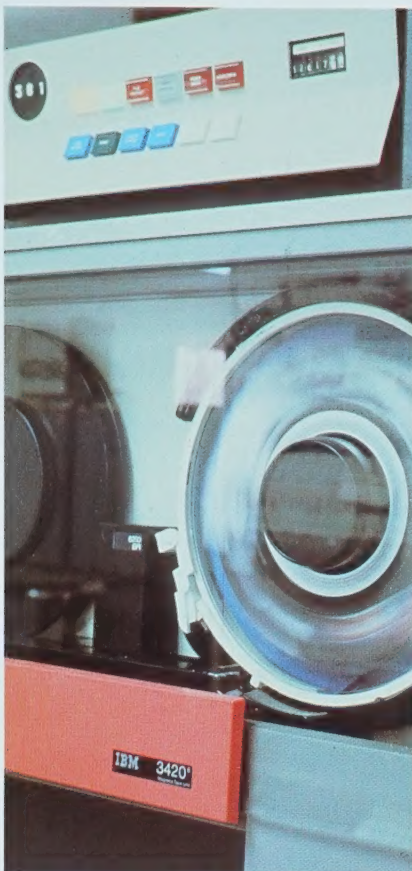
J.N. Cole
 Chairman of the Board

What we do and how we do it

Just what business are we in? Most people would say "the insurance business" and they would be right — but only in part. In our view, the insurance business today has many sides to it, each one a business in its own right.

Simply put, our primary business is that of making and keeping promises. Each contract we issue is only the evidence of a commitment we have made to be there with money when it is needed most. Keeping such promises is a vital and essential part of our business. With more than 750,000 Canadians as clients, an im-





portant part of our business is the service network of over 1600 men and women who fulfill the obligations that we have made.

Another important part of our business is managing money and doing it so well that even though some of our contracts extend for 50 years or more, we will still be there when we said we would.

The promises we make are as varied as the people we serve. Delivering money when it is needed most could mean

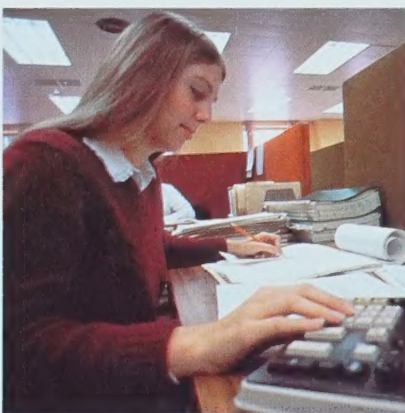
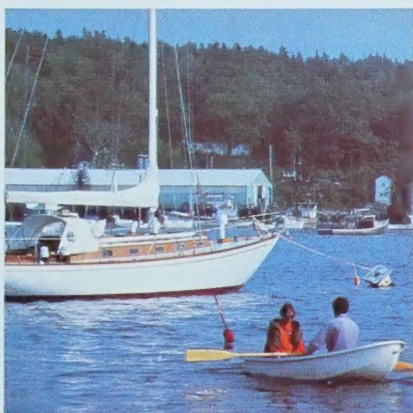
- ☐ providing regular income to a family who has lost its breadwinner
- ☐ providing a pension to people who have retired

- ☐ providing income to people who are sick or hurt and cannot work

- ☐ providing money to replace goods or property that have been stolen, damaged, or destroyed.

In 1980, the Prudential Assurance group of companies kept such promises (or made provisions to keep future promises) to the tune of \$1.0 million per working day.

Changing times bring changing needs. That is why we continuously review the products and services we offer and the way we operate with one aim in mind — to better serve Canadians now and in the future by being there with money when it is needed most.



PRUDENTIAL ASSURANCE LIFE OPERATIONS

We have identified four key performance areas in which excellence is necessary to ensure our continued success and survival in the years ahead. These areas are: the development of the sales force and office staff; responsiveness to changing public demand; cost effectiveness; and growth.

Growth

In 1980, we met our sales targets at record levels for both Individual Life and Group Pension products in spite of difficult market conditions.

In our Individual Life sales, we achieved an increase in sums insured of 10.3% over 1979 with a corresponding increase in new premiums of 9.1%

The negative side of growth is terminations, and in current market conditions of high interest rates and increasing competition, control of terminations is one of our biggest

challenges. Overall, our annual growth objective is to increase our market share measured by premium income and, because of terminations, we did not achieve this in 1980.

In Group Pensions, we measure growth by increase in assets rather than premium income but terminations are a similar problem. Our growth target was to increase assets by 20%, and while we put on more than enough new business to achieve this, because of terminations, our actual result was only 15% growth.

In both areas we have taken the necessary steps to bring about an improvement in our conservation results.

In 1981, we will start to increase our share of the pension market, by expanding into the investment management of Pension Funds.

Responsiveness to Changing Public Demand

The most obvious practical application of responsiveness to changing public demand is new product development. Early in 1981 we will introduce preferential term insurance rates for non-smokers, followed later by lower life insurance costs for non-smokers over our whole product range.

In 1980, we introduced a new group registered retirement savings plan and added to our range of segregated investment funds by introducing the Balanced Fund and the Cash Equivalent Fund. Several other new and improved Individual and Pension product developments are being planned for the near future.

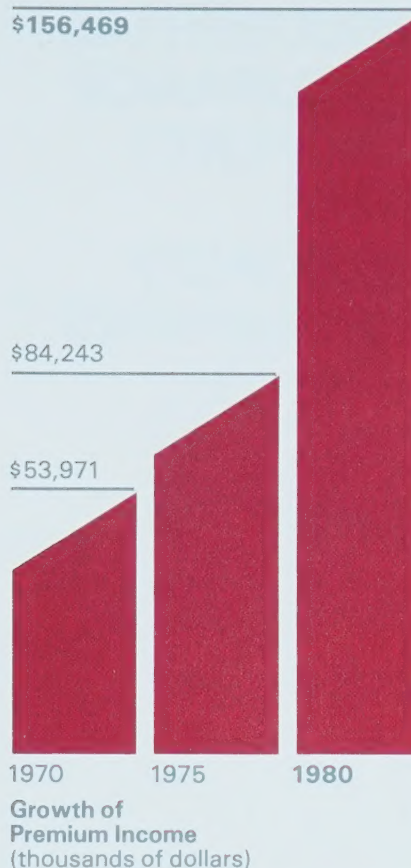
Our contract wordings have been under review and all our regular life contracts and most supplementary benefits are now issued using a simplified wording format.

In 1980, bonuses on our Participating Life Insurance contracts were declared on a basis more responsive to short term fluctuations in interest rates.

Development of Sales and Office Personnel

Development of personnel is the most important of our four key performance areas because it is the ideas of people and their ability to carry them out which make the difference between success and failure.

The development of a sales force of successful career Life Agents is both difficult and challenging in today's very competitive marketplace.



We must meet these challenges head-on especially in the West, because if our sales force does not increase, we will not be able to meet our sales and growth targets.

Developing office personnel may seem an easier goal but, in fact, this is not so. Indeed, it is equally challenging because poor administrative performance saps our strength and our effectiveness as surely as poor sales performance.

Cost Effectiveness

We have set some specific targets for greater cost effectiveness in 1981. For example, we will be using word processing in both Individual Life and Group Operations to reduce the cost of producing typed and some printed material. In addition, we will be studying the feasibility of increasing our use of microfilm and video terminals with a view to reducing our reliance on paper documents and files.

Michael Beck

M.A.P. Beck
Senior Vice-President,
Life and Actuary for
Canada

The Prudential Assurance Company Limited Review of Life Operations (all dollar amounts in thousands)

	1980	1979
Premium Income	\$ 156 469	\$ 148,058
Market Value Adjustments on Segregated Funds	16,335	19,718
Investment Income	85,084	69,134
Net Realized Capital Gains	13,242	14,805
	271,130	251,715
Total Paid to or Set Aside for the Protection of Policyholders and Beneficiaries	213,934	199,509
Expenses and Taxes	38,918	34,618
	252,852	234,127
Net Income	\$ 18,278	\$ 17,588
Assets	\$990,897	\$863,491

Note: The accounting principles and presentation adopted by the Canadian group of companies are in the main based upon those prescribed or permitted by the Department of Insurance of Canada for British insurance companies. However, in certain circumstances the principles and reporting requirements of their U.K. parent have been adopted.

PRUDENTIAL ASSURANCE PROPERTY AND CASUALTY OPERATIONS

In 1980, our underwriting loss, including Prudasco, totalled \$7.8 million versus a profit of \$4.0 million in 1979. However, thanks to an investment return (including realized capital gains) of some \$22.0 million, the after tax operating profit equalled \$17.8 million.

At a time when the industry experienced a record underwriting loss of some \$571 million versus a 1979 loss of \$192 million, we have reason to be proud of our own excellent operating result. A message of thanks and appreciation goes out to our many underwriting and marketing people as well as our investment colleagues who have done such an excellent job for us under very trying conditions.

Some other interesting highlights of the year include a substantial profit on our aviation account as well as a profit on our accident and health business.

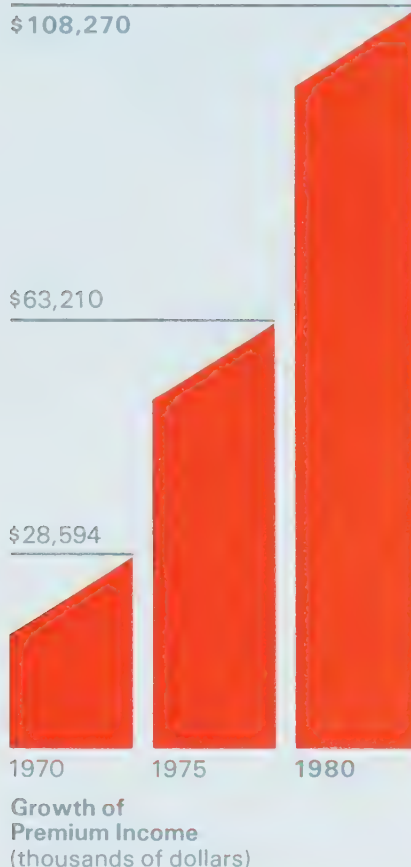
In previous years, we were becoming increasingly concerned about our growing expenses and felt that the solution hinged on improved productivity of our staff.

During 1980, we did see better than average productivity in many areas due in part to increased assistance from our computer facilities. The property and casualty computer on-line system, known as Terminal Project 20, was successfully completed from one end of Canada to the other. This system allows our regionalized branches to handle all new business transactions, mid-term endorsements, and renewals for our private passenger automobile and habitation business.

Looking into the future, most industry spokesmen are already conceding 1981 as a write-off. If anything, operating results are expected to be worse than those experienced in 1980. There is a real possibility that we may be returning to that position which existed during the 1973-76 period when many companies were forced to withdraw completely from Canada. Already the same signs of withdrawal are appearing on the industry scene today.

During 1981, we believe substantial rate and premium increases will be required on most classes across the country. A major area of concern is the Province of Quebec where the Superintendent of Insurance has stated publicly that the private insurance industry requires a minimum increase of some 35% in annual premium writings particularly on private passenger automobile and habitation business. Severe competition following the takeover by the Quebec Government of bodily injury business early in 1978, together with inflationary pressures, a slower economy and an extraordinary increase in theft claims have all contributed to the poor results.

Based on market trends, it should be possible for us to meet our 1981 plan for premium writings of \$145 million or an increase of 22%. While it



may even be desirable to produce a larger percentage increase, for the moment, we feel that deteriorating social values and inflationary pressures are such that regardless of the upward pricing of our products, substantial unwanted underwriting losses will continue in 1981.

J. J. Rowen

J.J. Rowen,
Senior Vice-President for
Canada, Property and Casualty

The Prudential Assurance Company Limited
Review of Property and Casualty Operations
(all dollar amounts in thousands)

	1980	1979
Premium Income	\$ 108,270	\$ 99,483
Investment Income	14,507	14,207
Net Realized Capital Gains	7,905	2,284
	130,682	115,974
Total Paid to or Set Aside for the Protection of Policyholders and Beneficiaries	76,587	61,231
Expenses and Taxes	36,250	36,537
	112,837	97,768
Net Income	\$ 17,845	\$ 18,206
Assets	\$210,129	\$186,989

Note: The accounting principles and presentation adopted by the Canadian group of companies are in the main based upon those prescribed or permitted by the Department of Insurance of Canada for British insurance companies. However, in certain circumstances the principles and reporting requirements of their U.K. parent have been adopted.

CONSTELLATION ASSURANCE COMPANY

The Company's performance in 1980 showed substantial gains in all major categories. Premium income for all health product lines was up 21.4% over the previous year while total premium income was up 18.6%. New sales in group lines were substantially higher than 1979, with the largest gains reported in group dental, health and long term disability. Our capacity for future rapid growth was enhanced through \$5 million additional capital from an issue of preferred shares during the year.

Growth in income was matched by additions to service facilities and new offices. We opened a sales and service office in Halifax to serve the Maritime Provinces, and a district office in London. Claims facilities were expanded in Vancouver and Montreal. Support for existing on-line computer systems was expanded in order to meet the rapidly growing group health and disability insurance needs in all regions of the Company.

A complete review of group underwriting practices was begun during the year leading to underwriting changes as well as product refinements. These changes maintain our products in the forefront of employee benefit design as well as accommodating special requirements for regional health markets. We developed products providing cost-of-living benefits for individual policies as well as indexing to maintain income protection levels for individual residual disability policies. We also expanded the industries and occupations underwritten for individual coverage, thus maintaining our competitive position as a leading disability carrier.

The inflation rate in Canada continued to exert pressures on operating and health claim costs. Claim payments were up by \$1.76 million for a total of \$11.6 million. Despite competitive pressures, overall claim loss ratios were favourable in the year due to underwriting of selected markets and effective claims practices, including field claims programmes designed to expand rehabilitation efforts. Rapid expansion necessitated increased operating expenses, however, after accommodating major capital expenditures for computer and office equipment, overall unit costs were reduced by 3.7%.

I commend our personnel for their extremely good efforts in providing a high level of service while meeting the demands of expanded business. Training programmes have kept pace with the increase in our personnel complement with major additions to our management development and skills training programmes. We are proud of our service to policyowners and claimants and believe it is vital to success in our health insurance markets.

Investment income was up 32% over last year while assets grew by \$10.1 million. Major investment commitments were made to mid-term bonds. Participation in equities was greater than previously due to their market conditions; they represent 2% of the total portfolio at year end. Overall investment yield was 10.65%. Pre-tax profit of \$801 thousand was the highest in the Company's history.

A communication programme was introduced during the fourth quarter as a prelude to 1981, "International Year of Disabled Persons", as declared by the United Nations. The



purpose of this programme is to focus attention on the need for rehabilitation and understanding in order to deal properly with the problems affecting the handicapped. Constellation will continue to sponsor a programme of seminars to explore this subject of rehabilitation from the perspectives of claimants, employers, medical practitioners, rehabilitation counsellors and health insurers. The need for this communication and for training to improve effectiveness in employing the handicapped and the disabled is evident in the concerns shown by various levels of government and the public.

Constellation's results in the first year of the 1980's typify the Company's ten year progress; we have achieved strong growth in premium income, consistent improvement in investment return, better than industry claim ratios, sound expense control and a continuous record of operating profits.

T.L. Bourk
President and
Chief Executive Officer

Constellation Assurance Company Review of Operations

(all dollar amounts in thousands)

	1980	1979
Premium Income	\$18,009	\$15,213
Investment Income	4,148	3,140
Realized Capital Gains	18	—
	22,175	18,353
Total Paid to or Set Aside for the Protection of Policyholders and Beneficiaries	14,390	12,750
Expenses and Taxes	7,240	5,510
	21,630	18,260
Net Income	\$ 545	\$ 93
Assets	\$48,250	\$38,100

Note: The accounting principles and presentation adopted by the Canadian group of companies are in the main based upon those prescribed or permitted by the Department of Insurance of Canada for British insurance companies. However, in certain circumstances the principles and reporting requirements of their U.K. parent have been adopted.

PRUDASCO ASSURANCE COMPANY

Incorporated on November 30th 1979 under the Canadian and British Insurance Companies Act, the Company completed its first full year of operation in 1980.

It is primarily used as a reinsurance medium and currently reinsures 4% of all Property and Automobile insurance written in Canada by Prudential Assurance.



J.J. Delorme
President

Prudasco Assurance Company Review of Operations

(all dollar amounts in thousands)

	1980	1979
Premium Income	\$4,412	\$ —
Investment Income	529	15
Net Realized Capital Gains	36	—
	4,977	15
Total Paid to or Set Aside for the Protection of Policyholders and Beneficiaries	2,916	—
Expenses and Taxes	2,095	7
	5,011	8
Net Income (Loss)	\$ (34)	\$ 7
Assets	\$5,325	\$1,515

Note: The accounting principles and presentation adopted by the Canadian group of companies are in the main based upon those prescribed or permitted by the Department of Insurance of Canada for British insurance companies. However, in certain circumstances the principles and reporting requirements of their U.K. parent have been adopted.

Senior Management

I.D. Mair, F.C.I.I.

President for Canada and Chief Executive Officer

M.A.P. Beck, F.S.A., F.C.I.A.

Senior Vice-President, Life and Actuary for Canada

J.J. Delorme

Senior Vice-President for Canada, Administration

B.B. Dibben, F.I.A., F.C.I.A., A.S.A.

Senior Vice-President for Canada, Corporate Planning and Services

D.W. Parkin, F.I.A., F.C.I.A., A.S.A.

Senior Vice-President for Canada, Finance

J.J. Rowen, F.I.I.C.

Senior Vice-President for Canada, Property and Casualty

Middle Management

D.C. Andrews, F.L.M.I.

Vice-President for Canada, Life Policyholder Relations

D.G. Craib, F.I.I.C.

Vice-President for Canada, Property and Casualty

J.A. Crocker, F.L.M.I., C.F.A.

Vice-President for Canada, Securities Investments

G.S. Cudlipp, C.A., F.L.M.I.

Vice-President for Canada, Corporate Accounting

M.G. Frittenburg, C.L.U.

Vice-President for Canada, Group

G.I. Guy, F.I.A., F.C.I.A., A.S.A.

Vice-President for Canada, Actuarial Services

F.J. Higgins, A.I.I.C.

Vice-President for Canada, Property and Casualty

C.A. Hill

Vice-President for Canada, Life Marketing

M.J. Holden, F.R.I.C.S.

Vice-President for Canada, Property Investments

R. McNeill, C.L.U.

Vice-President for Canada, Life Agency

G.H. Miller

Vice-President for Canada, Property and Casualty

P.F. Rogers, A.I.I.C.

Vice-President for Canada, Property and Casualty

D.A. Smethers, A.L.M.I.

Vice-President for Canada, Data Processing

R.A. Trecroce

Vice-President for Canada, Property and Casualty

D.C. Blokland

Director, Group Pensions Administration

D. Cornelius

Director, Computer Operations, DP

A.D. Thomas

Director, Management Services

A. Vaillancourt, C.L.U.

Director, Life Agencies

J.C. Walton

Director, Group Pension Sales

W.J. Wood, F.L.M.I.

Director, Personnel

D.G. Cameron, O.C., M.C., B.Sc.,

MD.CM., B.Sc. (Oxon.), FRCP., FRCP (C.), MACP., FRCP. (Glasgow), FRACP.
Principal Medical Officer

Officers of Constellation Assurance Company

T.L. Bourk,

President and Chief Executive Officer

F.R. Clarke, F.C.I.I., F.I.A., F.C.I.A., A.S.A.

Senior Vice-President, Chief Actuary and Treasurer

K.W.G. Brown, M.D., F.R.C.P.

(C), F.A.C.P., F.A.C.C.
Medical Officer

K. Cooper

Corporate Secretary

G.S. Donas, C.L.U.

Vice-President, Western Region Sales

W.V. Hall

Vice-President, Individual and Association

J.D. Have, F.C.I.A., F.S.A.

Vice-President, Group

R. Raymond, C.L.U.

Vice-President, Eastern Region Sales

J. Shuckard

Assistant Vice-President, Corporate Services

G.N. Tyndall

Vice-President, Central Region Sales

Officers of Prudasco Assurance Company

I.D. Mair, F.C.I.I.

Chairman

J.J. Delorme

President

D.W. Parkin, F.I.A., F.C.I.A., A.S.A.

Secretary-Treasurer



The Prudential Story

The Prudential Assurance Company Limited is a stock company with public capital on the London Stock Exchange. It began as The Prudential Assurance Investment, Loan and Assurance Association on May 30th 1848 when a Doctor of Divinity, a leather merchant, a navy captain, a surveyor, a surgeon, and an auctioneer met to form an association aimed at giving "honest and equitable assurance facilities" to merchants and the general public.

From these modest beginnings, the company grew until by 1914 it was engaging in all forms of general insurance as well.

Following a period of growth and world-wide expansion which first took the Prudential name and expertise to Holland and France, New Zealand, the Philippines and Malaya, the Prudential came to Canada in 1923. Today, the

Company has 90 branch and consumer service offices in all major Canadian cities and regional areas where the insurance needs of Canadians are served by over 1600 employees and agents. In addition, the Company is represented in all provinces by some 1300 property and casualty agencies.

In a world-wide context, The Prudential Assurance Company Limited is today the main insurance arm of the rapidly growing Prudential Corporation that now operates in 34 countries. Through its subsidiaries, it is also involved in pension and investment management, reinsurance, property development and farming.

When our founders established the policy of the Association, it was in keeping with the significance of the name they chose. For over 125 years, our corporate mission has remained basically the same — to serve people in every walk of life by being there with money when it is needed most.

Canadian Board of Directors

J. N. Cole, Chairman of the Board

Chairman and President: The Cole Foundation. Director of: Atlantic Shopping Centres Ltd.; Belding-Corticelli Ltd.; British American Bank Note Co. Ltd.; Charlevoix Paper Inc.; Domco Industries Inc.; The Donohue Inc.; Gerbro Inc.; Gerin Ltd.; Malbaie Paper Inc.; North American Car Canada Ltd.; PHH Canada Services Inc. Former Vice-Chairman: Wood Gundy Ltd.

R. G. Black, Q.C.

Lawyer. Director of: British American Bank Note Co. Ltd.; Calgary Power Ltd.; Monenco Ltd.; Scurry-Rainbow Oil Ltd. Member of Royal Trust Advisory Board.

A. P. Bodiley, M.B.E., F.C.I.I.

Former President for Canada: The Prudential Assurance Co. Ltd. National President: Canadian Save the Children Fund. Director: Montreal Family Service Foundation; La Fondation Québécoise d'Éducation Économique; Montreal Children's Hospital Foundation.

R. B. Casgrain

President: Casgrain & Co. Ltd.; Caisse Populaire Desjardins NDG. Trustee: Canada Permanent Income Investments.

R. R. Latimer, B. Sc., M.B.A.

President and Chief Executive Officer: TransCanada PipeLines Ltd.

I. D. Mair, F.C.I.I.

President for Canada: The Prudential Assurance Co. Ltd. Chairman of: Constellation Assurance Company; Prudasco Assurance Company. President: Prudasco Inc.; Paramet Corp. Ltd.

H. E. McArthur

Corporate Director. Director: Hastings West Investment Ltd.; Wardley Canada Limited; R. Angus (Alberta) Ltd.; Anglo-Canadian Shipping Co. Ltd.; Granville Saving & Mortgage Corp.

G. W. F. McCain, B.A.

McCain Foods Ltd. Chairman of: McCain Australia Pty. Ltd.; McCain Foods Inc. (U.S.); Thomas Equipment Ltd. President of: Carleton Cold Storage Co. Ltd.; McCain Fertilizer Ltd.; Valley Farms Ltd. Director of: Bilopage Inc.; Day & Ross Ltd.; McCain Foods (G.B.) Ltd.; McCain Produce Co. Ltd.; McCain Espana, S.A.; McCain Europa, B.V.

R. A. Utting

Vice-Chairman and Director: The Royal Bank of Canada.

Three directors, who are also members of Prudential U.K. Management, also attend Board meetings.



Prudential Corporation Limited
Summary of World-Wide Operations
(all amounts in millions)

	1979	1978
Premium Income		
Life	\$ 2,302	\$ 1,845
Property and Casualty	973	860
Other Income	1,694	1,287
Total Income	\$ 4,969	\$ 3,992
Total Assets	\$16,490	\$13,818
Life Business in force	\$65,000	
Contracts in force	27	

Note: Comparisons between the figures for 1979 and 1978 are affected by changes in the value of the Canadian dollar.

The Prudential Assurance Company Limited
635 Dorchester Boulevard West
Montreal, Quebec
H3B 1R7

Constellation Assurance Company
55 Yonge Street
Toronto, Ontario
M5E 1J6

Insurance Products and Related Services available from the Prudential Assurance group of companies

Property and Casualty Insurance

Private Passenger and Commercial Automobile, Non-owned Liability, Garage Liability, Homeowners' and Tenants' Packages, Composite Dwelling, All Risks cover on specified valuable articles, Personal Liability, Fire and Extended Coverages, Multi-peril Cover, Accounts Receivable, Valuable Papers, Bailee's Customers, Furriers Storage and Certificates, Contractors Equipment, Installation Floaters, Goods in Transit, Plate Glass Insurance, Commercial Liability, Employers' Liability, Public Liability, Commercial Crime including Robbery and Theft, Fidelity and Surety, and Marine Insurance.

Individual Life Insurance and Annuities

Whole Life, Endowment, Level and Decreasing Term, Five Year Renewable Term, Prudential Economic Protection, Non-Smokers' Insurance, Family Plan, Children's Insurance, Immediate and Deferred Annuities, Single and Joint Life Annuities, Individual RRSP's, Disability Income Riders.

Individual Accident and Health

Non-cancellable and Guaranteed Renewable Disability Income, Office Overhead Expenses, Disability "Buy-Sell".

Employee Benefits and Association Group

Group and Dependents' Life, Group Survivor Income Benefit, Group Accidental Death and Dismemberment, Group Registered Retirement Savings and Deferred Profit Sharing Plans, Full Service Pension Plans, Extended Health Care, Medical Expense cover outside Canada, Weekly Indemnity, Long-term Disability, Dental Insurance, Travel Accident and Pension Fund and Investment Portfolio Management.

